April 25, 2018

SiriusXM Reports First Quarter 2018 Results

- Total Subscribers Surpass 33 Million for First Time

- First Quarter Revenue Climbs 6% to $1.4 Billion

- Total Net Subscriber Additions of 330,000 in the Quarter

- Net Income Grows 40% to $289 Million; Adjusted EBITDA Grows 6% to $532 Million

- Operating Cash Flow Climbs 34% to $415 Million; Free Cash Flow Climbs 31% to $326 Million

- Company Reiterates Financial and Subscriber Guidance for 2018

NEW YORK, April 25, 2018 /PRNewswire/ -- SiriusXM today announced first quarter 2018 operating and financial results, including revenue of $1.4 billion, increasing 6% versus the prior year period.

The Company's net income totaled $289 million in the first quarter 2018, compared to $207 million in the first quarter 2017. Net income per diluted common share was $0.06 in the first quarter 2018, compared to $0.04 in the first quarter 2017. Adjusted EBITDA grew 6% in the first quarter 2018 to $532 million, a first quarter record. Free cash flow and operating cash flow in the first quarter 2018 increased 31% and 34%, respectively, to $326 million and $415 million.

"SiriusXM has come out of the gate strong in 2018. Our 6% growth in revenue would have been 8% absent the change in generally accepted accounting principles that was effective January 1st, and we are pleased with our 6% growth in adjusted EBITDA given the sharp increase in our music royalties also beginning January 1st. We are on-track to meet all of our full-year guidance, and I'm thrilled to announce we topped 33 million paying subscribers," said Jim Meyer, Chief Executive Officer, SiriusXM.

"We continue to add compelling, diverse programming across our talk, sports, comedy, and music channels. We gravitate toward those who have played the game, made their mark, or are the true insiders who can tell you the story as no one else can. We launched a new classic hip hop channel with LL Cool J, and a new comedy channel with Kevin Hart. We added a limited run Southern Rock channel that was so popular we had to extend it, and we gave subscribers another reason to love us with a chance to win tickets to *Springsteen On Broadway*. And our bundle got even stronger with the launch of new, full-time sports channels from the country's biggest, most important college athletic conferences," added Meyer.

FIRST QUARTER 2018 HIGHLIGHTS

- **Total Subscribers Exceed 33 Million for First Time.** The Company added 206,000 net new self-pay subscribers in the first quarter to end with approximately 27.7 million self-pay subscribers. Total net additions in the first quarter were 330,000, taking the Company's total subscriber count to approximately 33.1 million at quarter-end.
- **Strong Revenue Growth Despite Accounting Headwind.** First quarter revenue grew 6% compared to the year ago period to $1.4 billion, a first quarter record. This growth was driven by a 5% increase in subscribers as average revenue per user (ARPU) stayed flat year over year at $12.95. The first quarter 2018 saw the adoption of the new revenue recognition accounting standard (FASB ASU 2014-09) which reclassified approximately $24 million of revenue to offset expenses principally related to automaker agreements.
- **Net Income Grows 40%.** Net income in the first quarter totaled $289 million, up 40% from $207 million in the first quarter 2017. This increase included a $31 million unrealized gain associated with the change in fair value of the Company's Pandora investment, in addition to approximately $50 million of tax savings resulting from a 21.7% rate in the first quarter compared to 35.5% in the prior year period.
- **Adjusted EBITDA a First Quarter Record.** Adjusted EBITDA in the first quarter reached $532 million, up 6% from $502 million in the first quarter of 2017. The Company's adjusted EBITDA margin of 38.6% in the first quarter, down from 38.7% in the prior year period, remained near all-time highs despite headwinds from increased music royalty rates.
- **Free Cash Flow Increased 31%.** Free cash flow for the first quarter totaled $326 million, up 31% from $249 million in the first quarter of 2017. Operating cash flow for 2017 totaled $415 million, up 34% from the prior year period.

"During the quarter, we repurchased over 52 million shares of our common stock for approximately $295 million, and we paid nearly $50 million in dividends to stockholders — for a total capital return of $345 million in the first quarter. At the end of the quarter, our debt to adjusted EBITDA was just 3.2 times, and we had cash on hand of approximately $79 million and undrawn revolver capacity of nearly $1.4 billion. Even with a 40% increase in statutory sound recording royalties, we continued to grow adjusted EBITDA while investing in technology, content and returning capital to stockholders," noted David Frear, Chief Financial Officer, SiriusXM.

2018 GUIDANCE

The Company reiterates its full-year 2018 guidance for net subscribers, revenue, adjusted EBITDA and free cash flow, first issued in January:

- Self-pay net subscriber additions of approximately 1 million,
- Revenue of approximately $5.7 billion,

- Adjusted EBITDA of approximately $2.15 billion, and
- Free cash flow of approximately $1.5 billion.

CAPITAL RETURN PROGRAM

Shares of common stock may be purchased from time to time on the open market, pursuant to pre-set trading plans meeting the requirements of Rule 10b5-1 under the Exchange Act of 1934, as amended, in privately negotiated transactions, including in accelerated stock repurchase transactions and transactions with Liberty Media and its affiliates, or otherwise. The Company expects to fund the repurchases through a combination of cash on hand, cash generated by operations and future borrowings. The size and timing of these purchases will be based on a number of factors, including price and business and market conditions.

The Company's dividend policy may change at any time without notice to stockholders. The declaration and payment of dividends is at the discretion of the Company's Board of Directors in accordance with applicable law after taking into account various factors, including the Company's financial condition, operating results, current and anticipated cash needs, limitations imposed by its indebtedness, legal requirements and other factors that the Board of Directors deems relevant.

FIRST QUARTER 2018 RESULTS

SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	For the Three Months Ended March 31,	
(in thousands, except per share data)	**2018**	**2017**
Revenue:		
Subscriber revenue	$ 1,117,084	$ 1,078,257
Advertising revenue	42,048	36,016
Equipment revenue	35,089	29,658
Music royalty fee and other revenue	180,881	150,135
Total revenue	1,375,102	1,294,066
Operating expenses:		
Cost of services:		
Revenue share and royalties	310,132	277,300
Programming and content	100,836	95,544
Customer service and billing	93,865	96,775
Satellite and transmission	22,722	20,576
Cost of equipment	7,097	6,912
Subscriber acquisition costs	122,693	127,488
Sales and marketing	106,711	96,909
Engineering, design and development	30,637	23,817
General and administrative	84,606	78,201
Depreciation and amortization	72,212	76,704
Total operating expenses	951,511	900,226
Income from operations	423,591	393,840
Other income (expense):		
Interest expense	(89,789)	(81,657)
Other income	35,888	8,863
Total other expense	(53,901)	(72,794)
Income before income taxes	369,690	321,046
Income tax expense	(80,249)	(113,973)
Net (loss) income	$ 289,441	$ 207,073
Foreign currency translation adjustment, net of tax	(9,584)	(17)
Total comprehensive income	$ 279,857	$ 207,056
Net (loss) income per common share:		
Basic	$ 0.06	$ 0.04

Diluted	$ 0.06	$ 0.04
Weighted average common shares outstanding:		
Basic	4,491,362	4,710,340
Diluted	4,586,445	4,784,420
Dividends declared per common share	$ 0.011	$ 0.010

SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)	**March 31, 2018**	**December 31, 2017**
ASSETS	**(unaudited)**	
Current assets:		
Cash and cash equivalents	$ 78,539	$ 69,022
Receivables, net	244,779	241,727
Inventory, net	17,353	20,199
Related party current assets	12,877	10,284
Prepaid expenses and other current assets	147,077	129,669
Total current assets	500,625	470,901
Property and equipment, net	1,464,394	1,462,766
Intangible assets, net	2,516,984	2,522,846
Goodwill	2,286,582	2,286,582
Related party long-term assets	977,795	962,080
Deferred tax assets	430,619	505,528
Other long-term assets	122,289	118,671
Total assets	$ 8,299,288	$ 8,329,374
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 764,146	$ 794,341
Accrued interest	84,384	137,428
Current portion of deferred revenue	1,910,432	1,881,825
Current maturities of long-term debt	4,911	5,105
Related party current liabilities	3,923	2,839
Total current liabilities	2,767,796	2,821,538
Deferred revenue	165,956	174,579
Long-term debt	6,807,448	6,741,243
Related party long-term liabilities	6,742	7,364
Deferred tax liabilities	8,169	8,169
Other long-term liabilities	107,645	100,355
Total liabilities	9,863,756	9,853,248
Stockholders' (deficit) equity:		
Common stock, par value $0.001; 9,000,000 shares authorized; 4,481,266 and 4,530,928 shares issued; 4,480,763 and 4,527,742 outstanding at March 31, 2018 and December 31, 2017, respectively	4,480	4,530
Accumulated other comprehensive income, net of tax	12,836	18,407
Additional paid-in capital	1,360,968	1,713,816
Treasury stock, at cost; 503 and 3,186 shares of common stock at March 31, 2018 and December 31, 2017, respectively	(3,123)	(17,154)
Accumulated deficit	(2,939,629)	(3,243,473)
Total stockholders' (deficit) equity	(1,564,468)	(1,523,874)
Total liabilities and stockholders' (deficit) equity	$ 8,299,288	$ 8,329,374

SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Three Months Ended March 31,	
(in thousands)	**2018**	**2017**
Cash flows from operating activities:		
Net income	$ 289,441	$ 207,073
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	72,212	76,704
Non-cash interest expense, net of amortization of premium	2,344	2,104

Provision for doubtful accounts	11,139	14,044
Amortization of deferred income related to equity method investment	(694)	(694)
Gain on unconsolidated entity investments, net	(981)	(3,014)
Gain on fair value instrument	(31,375)	—
Dividend received from unconsolidated entity investment	979	3,606
Share-based payment expense	34,233	29,446
Deferred income taxes	72,065	107,505
Changes in operating assets and liabilities:		
Receivables	(14,191)	(25,363)
Inventory	2,846	3,391
Related party, net	(1,652)	(503)
Prepaid expenses and other current assets	(9,240)	(7,930)
Other long-term assets	5,349	1,691
Accounts payable and accrued expenses	(37,899)	(99,707)
Accrued interest	(53,044)	(32,746)
Deferred revenue	65,876	27,937
Other long-term liabilities	7,290	5,781
Net cash provided by operating activities	414,698	309,325
Cash flows from investing activities:		
Additions to property and equipment	(81,405)	(53,365)
Purchases of restricted and other investments	(6,831)	(7,021)
Repayment of related party loan	3,242	—
Net cash used in investing activities	(84,994)	(60,386)
Cash flows from financing activities:		
Taxes paid in lieu of shares issued for stock-based compensation	(23,309)	(15,609)
Net borrowings related to revolving credit facility	65,000	140,000
Principal payments of long-term borrowings	(3,816)	(3,669)
Common stock repurchased and retired	(308,759)	(305,975)
Dividends paid	(49,397)	(47,137)
Net cash used in financing activities	(320,281)	(232,390)
Net increase in cash, cash equivalents and restricted cash	9,423	16,549
Cash, cash equivalents and restricted cash at beginning of period	79,374	223,828
Cash, cash equivalents and restricted cash at end of period[1]	$ 88,797	$ 240,377

(1) The following table reconciles cash, cash equivalents and restricted cash per the statement of cash flows to the balance sheet. The restricted cash balances are primarily due to letters of credit which have been issued to the landlords of leased office space. The terms of the letters of credit primarily extend beyond one year.

	March 31, 2018	**December 31, 2017**	**March 31, 2017**	**December 31, 2016**
Cash and cash equivalents	$ 78,539	$ 69,022	$ 230,488	$ 213,939
Restricted cash included in Prepaid expenses and other current assets	150	244	—	—
Restricted cash included in Other long-term assets	10,108	10,108	9,889	9,889
Total cash, cash equivalents and restricted cash at end of period	$ 88,797	$ 79,374	$ 240,377	$ 223,828

Key Financial and Operating Performance Metrics

Subscribers and subscription related revenues and expenses associated with our connected vehicle services and Sirius XM Canada are not included in our subscriber count or subscriber-based operating metrics.

Set forth below are our subscriber balances as of March 31, 2018 compared to March 31, 2017:

	As of March 31,		**2018 vs 2017 Change**	
(in thousands)	**2018**	**2017**	**Amount**	**%**
Self-pay subscribers	27,720	26,210	1,510	6 %
Paid promotional subscribers	5,347	5,393	(46)	(1) %
Ending subscribers [a]	33,066	31,602	1,464	5 %

(a) Amounts may not sum as a result of rounding.

The following table contains our Non-GAAP financial and operating performance measures which are based on our adjusted results of operations for the three months ended March 31, 2018 and 2017. The ARPU and SAC, per installation, metrics for the three months ended March 31, 2018 have been reduced by the adoption of Accounting Standards Update ("ASU") 2014-09, *Revenue - Revenue from Contracts with Customers*, and all related amendments, which established Accounting Standards Codification ("ASC") Topic 606 (the "new revenue standard") as of January 1, 2018 by $0.25 and $0.31, respectively. For more information regarding the impact on these metrics, refer to the glossary below.

(in thousands, except per subscriber and per installation amounts)	For the Three Months Ended March 31,		2018 vs 2017 Change	
	2018	**2017**	**Amount**	**%**
Self-pay subscribers	206	259	(53)	(20) %
Paid promotional subscribers	124	(3)	127	4,233 %
Net additions [(a)]	330	257	73	28 %
Daily weighted average number of subscribers	32,828	31,369	1,459	5 %
Average self-pay monthly churn	1.8 %	1.8 %	—	— %
New vehicle consumer conversion rate	39 %	40 %	(1) %	(3) %
ARPU	$ 12.95	$ 12.95	$ —	— %
SAC, per installation	$ 28.18	$ 29.22	$ (1.04)	(4) %
Customer service and billing expenses, per average subscriber	$ 0.88	$ 0.97	$ (0.09)	(9) %
Adjusted EBITDA	$ 531,849	$ 501,803	$ 30,046	6 %
Free cash flow	$ 326,462	$ 248,939	$ 77,523	31 %
Diluted weighted average common shares outstanding (GAAP)	4,586,445	4,784,420	(197,975)	(4) %

(a) Amounts may not sum as a result of rounding.

Glossary

Adjusted EBITDA - EBITDA is defined as net income before interest expense, income tax expense and depreciation and amortization. We adjust EBITDA to exclude the impact of other income as well as certain other charges discussed below. Adjusted EBITDA is a Non-GAAP financial measure that excludes (if applicable): (i) certain adjustments as a result of the purchase price accounting for the merger of Sirius and XM, (ii) share-based payment expense and (iii) other significant operating expense (income) that do not relate to the on-going performance of our business. We believe adjusted EBITDA is a useful measure of the underlying trend of our operating performance, which provides useful information about our business apart from the costs associated with our capital structure and purchase price accounting. We believe investors find this Non-GAAP financial measure useful when analyzing our past operating performance with our current performance and comparing our operating performance to the performance of other communications, entertainment and media companies. We believe investors use adjusted EBITDA to estimate our current enterprise value and to make investment decisions. As a result of large capital investments in our satellite radio system, our results of operations reflect significant charges for depreciation expense. We believe the exclusion of share-based payment expense is useful as it is not directly related to the operational conditions of our business. We also believe the exclusion of the legal settlements and reserves related to the historical use of sound recordings, loss on extinguishment of debt and loss on disposal of assets, to the extent they occur during the period, is useful as they are significant expenses not incurred as part of our normal operations for the period.

Adjusted EBITDA has certain limitations in that it does not take into account the impact to our statements of comprehensive income of certain expenses, including share-based payment expense and certain purchase price accounting for the merger of Sirius and XM. We endeavor to compensate for the limitations of the Non-GAAP measure presented by also providing the comparable GAAP measure with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the Non-GAAP measure. Investors that wish to compare and evaluate our operating results after giving effect for these costs, should refer to net income as disclosed in our unaudited consolidated statements of comprehensive income. Since adjusted EBITDA is a Non-GAAP financial performance measure, our calculation of adjusted EBITDA may be susceptible to varying calculations; may not be comparable to other similarly titled measures of other companies; and should not be considered in isolation, as a substitute for, or superior to measures of financial performance prepared in accordance with GAAP. The reconciliation of net income to the adjusted EBITDA is calculated as follows:

	For the Three Months Ended March 31,	
(in thousands)	**2018**	**2017**
Net income:	$ 289,441	$ 207,073
Add back items excluded from Adjusted EBITDA:		
Purchase price accounting adjustments:		
Revenues	1,813	1,813
Share-based payment expense [1]	34,233	29,446
Depreciation and amortization	72,212	76,704
Interest expense	89,789	81,657
Other income	(35,888)	(8,863)
Income tax expense	80,249	113,973
Adjusted EBITDA	$ 531,849	$ 501,803

(1) Allocation of share-based payment expense

	For the Three Months Ended March 31,	
(in thousands)	**2018**	**2017**
Programming and content	$ 8,231	$ 6,501
Customer service and billing	1,064	1,011
Satellite and transmission	1,245	1,187
Sales and marketing	5,515	5,680
Engineering, design and development	4,147	3,554
General and administrative	14,031	11,513
Total share-based payment expense	$ 34,233	$ 29,446

ARPU - is derived from total earned subscriber revenue, advertising revenue and other subscription-related revenue, excluding revenue associated with our connected vehicle services, divided by the number of months in the period, divided by the daily weighted average number of subscribers for the period. Other subscription-related revenue includes the U.S. Music Royalty Fee. The ARPU for the three months ended March 31, 2018 reflects adjustments as a result of adopting the new revenue standard as of January 1, 2018. Refer to the table below the following calculation for the impact of the new standard. ARPU is calculated as follows:

	For the Three Months Ended March 31,	
(in thousands, except per subscriber amounts)	**2018**	**2017**
Subscriber revenue, excluding connected vehicle services	$ 1,092,249	$ 1,058,054
Add: advertising revenue	42,048	36,016
Add: other subscription-related revenue	140,816	124,468

	$ 1,275,113	$ 1,218,538
Daily weighted average number of subscribers	32,828	31,369
ARPU	$ 12.95	$ 12.95

The table below illustrates the impact that the adoption of the new revenue standard has had on ARPU for the three months ended March 31, 2018.

	For the Three Months Ended March 31, 2018		
(in thousands, except per subscriber amounts)	**As Reported**	**Impact of Adopting ASU 2014-09**	**Balances Without Adoption of ASU 2014-09**
Subscriber revenue, excluding connected vehicle services	$ 1,092,249	$ 24,392	$ 1,116,641
Add: advertising revenue	42,048	—	42,048
Add: other subscription-related revenue	140,816	—	140,816
	$ 1,275,113	$ 24,392	$ 1,299,505
Daily weighted average number of subscribers	32,828	32,828	32,828
ARPU	$ 12.95	$ 0.25	$ 13.20

<u>Average self-pay monthly churn</u> - is defined as the monthly average of self-pay deactivations for the period divided by the average number of self-pay subscribers for the period.

<u>Customer service and billing expenses, per average subscriber</u>- is derived from total customer service and billing expenses, excluding connected vehicle customer service and billing expenses and share-based payment expense, divided by the number of months in the period, divided by the daily weighted average number of subscribers for the period. We believe the exclusion of share-based payment expense in our calculation of customer service and billing expenses, per average subscriber, is useful as share-based payment expense is not directly related to the operational conditions that give rise to variations in the components of our customer service and billing expenses. Customer service and billing expenses, per average subscriber, is calculated as follows:

	For the Three Months Ended March 31,	
(in thousands, except per subscriber amounts)	**2018**	**2017**
Customer service and billing expenses, excluding connected vehicle services	$ 87,733	$ 92,120
Less: share-based payment expense	(1,064)	(1,011)
	$ 86,669	$ 91,109
Daily weighted average number of subscribers	32,828	31,369
Customer service and billing expenses, per average subscriber	$ 0.88	$ 0.97

<u>Free cash flow</u> - is derived from cash flow provided by operating activities, net of additions to property and equipment and restricted and other investment activity. Free cash flow is a metric that our management and board of directors use to evaluate the cash generated by our operations, net of capital expenditures and other investment activity. In a capital intensive business, with significant investments in satellites, we look at our operating cash flow, net of these investing cash outflows, to determine cash available for future subscriber acquisition and capital expenditures, to repurchase or retire debt, to acquire other companies and to evaluate our ability to return capital to stockholders. We exclude from free cash flow certain items that do not relate to the on-going performance of our business, such as cash outflows for acquisitions, strategic investments and net loan activity with related parties. We believe free cash flow is an indicator of the long-term financial stability of our business. Free cash flow, which is reconciled to "Net cash provided by operating activities," is a Non-GAAP financial measure. This measure can be calculated by deducting amounts under the captions "Additions to property and equipment" and deducting or adding

Restricted and other investment activity from "Net cash provided by operating activities" from the unaudited consolidated statements of cash flows. Free cash flow should be used in conjunction with other GAAP financial performance measures and may not be comparable to free cash flow measures presented by other companies. Free cash flow should be viewed as a supplemental measure rather than an alternative measure of cash flows from operating activities, as determined in accordance with GAAP. Free cash flow is limited and does not represent remaining cash flows available for discretionary expenditures due to the fact that the measure does not deduct the payments required for debt maturities. We believe free cash flow provides useful supplemental information to investors regarding our current cash flow, along with other GAAP measures (such as cash flows from operating and investing activities), to determine our financial condition, and to compare our operating performance to other communications, entertainment and media companies. Free cash flow is calculated as follows:

	For the Three Months Ended March 31,	
(in thousands)	**2018**	**2017**
Cash Flow information		
Net cash provided by operating activities	$ 414,698	$ 309,325
Net cash used in investing activities	$ (84,994)	$ (60,386)
Net cash used in financing activities	$ (320,281)	$ (232,390)
Free Cash Flow		
Net cash provided by operating activities	$ 414,698	$ 309,325
Additions to property and equipment	(81,405)	(53,365)
Purchases of restricted and other investments	(6,831)	(7,021)
Free cash flow	$ 326,462	$ 248,939

New vehicle consumer conversion rate - is defined as the percentage of owners and lessees of new vehicles that receive our satellite radio service and convert to become self-paying subscribers after the initial promotion period. At the time satellite radio enabled vehicles are sold or leased, the owners or lessees generally receive trial subscriptions ranging from three to twelve months. We measure conversion rate three months after the period in which the promotional period ends. The metric excludes rental and fleet vehicles.

Subscriber acquisition cost, per installation - or SAC, per installation, is derived from subscriber acquisition costs and margins from the sale of radios and accessories (excluding connected vehicle services), divided by the number of satellite radio installations in new vehicles and shipments of aftermarket radios for the period. The SAC, per installation, for the three months ended March 31, 2018 reflects adjustments as a result of adopting the new revenue standard as of January 1, 2018. Refer to the table below the following calculation for the impact of the new standard. SAC, per installation, is calculated as follows:

	For the Three Months Ended March 31,	
(in thousands, except per installation amounts)	**2018**	**2017**
Subscriber acquisition costs, excluding connected vehicle services	$ 122,693	$ 127,488
Less: margin from sales of radios and accessories, excluding connected vehicle services	(27,458)	(22,746)
	$ 95,235	$ 104,742
Installations	3,380	3,584
SAC, per installation	$ 28.18	$ 29.22

The table below illustrates the impact that the adoption of the new revenue standard has had on SAC, per installation, for the three months ended March 31, 2018.

For the Three Months Ended March 31, 2018

(in thousands, except per installation amounts)	As Reported	Impact of Adopting ASU 2014-09	Balances Without Adoption of ASU 2014-09
Subscriber acquisition costs, excluding connected vehicle services	$ 122,693	$ 1,046	$ 123,739
Less: margin from sales of radios and accessories, excluding connected vehicle services	(27,458)	—	(27,458)
	$ 95,235	$ 1,046	$ 96,281
Installations	3,380	3,380	3,380
SAC, per installation	$ 28.18	$ 0.31	$ 28.49

About SiriusXM

Sirius XM Holdings Inc. (NASDAQ: SIRI) is the world's largest radio company measured by revenue and has approximately 33.1 million subscribers. SiriusXM creates and offers commercial-free music; premier sports talk and live events; comedy; news; exclusive talk and entertainment, and a wide-range of Latin music, sports and talk programming. SiriusXM is available in vehicles from every major car company and on smartphones and other connected devices as well as online at siriusxm.com. SiriusXM radios and accessories are available from retailers nationwide and online at SiriusXM. SiriusXM also provides premium traffic, weather, data and information services for subscribers through SiriusXM Traffic™, SiriusXM Travel Link, NavTraffic®, NavWeather™. SiriusXM delivers weather, data and information services to aircraft and boats through SiriusXM Aviation™ and SiriusXM Marine™. In addition, SiriusXM Music for Business provides commercial-free music to a variety of businesses. SiriusXM holds a minority interest in SiriusXM Canada which has approximately 2.6 million subscribers. SiriusXM is also a leading provider of connected vehicles services, giving customers access to a suite of safety, security, and convenience services including automatic crash notification, stolen vehicle recovery assistance, enhanced roadside assistance and turn-by-turn navigation.

To download SiriusXM logos and artwork, visit http://www.siriusxm.com/LogosAndPhotos.

This communication contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about future financial and operating results, our plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "believe," "intend," "plan," "projection," "outlook" or words of similar meaning. Such forward-looking statements are based upon the current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond our control. Actual results and the timing of events may differ materially from the results anticipated in these forward-looking statements. SiriusXM is providing non-GAAP information on a prospective basis that excludes certain items because of the nature of these items and the impact they have on the analysis of underlying business performance and trends. We believe investors find these Non-GAAP financial measures useful in evaluating our core trends because they provide a direct view of our underlying contractual costs. This information should be viewed in addition to, and not as an alternative for or superior to, our results prepared in accordance with GAAP. In addition, SiriusXM's Non-GAAP financial measures may not be comparable to similarly-titled measures by other companies. SiriusXM does not provide a non-GAAP reconciliation for Adjusted EBITDA guidance to Net income or Free cash flow guidance to Net cash provided by operating *activities because it does not provide guidance for the reconciling items between adjusted EBITDA to Net income, which includes the provision for income taxes, interest expense and other income, nor does the Company provide guidance for the reconciling items between Free cash flow to Net cash provided by operating activities, which includes additions to property and equipment. As items that impact Net income and Net cash provided by operating activities are out of the Company's control and/or cannot be reasonably predicted, the Company is unable to provide such guidance as the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures. Accordingly, a reconciliation to Net income and Net cash provided by operating activities is not available without unreasonable effort.*

The following factors, among others, could cause actual results and the timing of events to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: our substantial competition, which is likely to increase over time; our ability to retain subscribers or increase the number of subscribers, which is uncertain; our ability to profitably attract and retain subscribers as our marketing efforts reach more price-sensitive consumers is uncertain; the security of the personal information about our customers; interference to our service from wireless operations; we engage in substantial marketing efforts and the continued effectiveness of those efforts are an important part of our business; consumer protection laws and their enforcement; our failure to realize benefits of acquisitions or other strategic initiatives; unfavorable outcomes of pending or future litigation; the market for music rights, which is changing and subject to uncertainties; our dependence upon the auto industry; general economic conditions; existing or future government laws and regulations could harm our business; failure of our satellites would significantly damage our business; the interruption or failure of our information technology and communications systems; rapid technological and industry changes; failure of third parties to perform; our failure to comply with FCC requirements; modifications to our business plan; our indebtedness; our studios, terrestrial repeater networks, satellite uplink facilities or other ground facilities could be damaged by natural catastrophes or terrorist activities; our principal stockholder has significant influence over our affairs and over actions requiring stockholder approval and its interests may differ from interests of other holders of our common stock; we are a "controlled company" within the meaning of the NASDAQ listing rules; impairment of our business by third-party intellectual property rights; and changes to our dividend policies which could occur at any time. Additional factors that could cause our results to differ materially from those described in the forward-looking statements can be found in our Annual Report on Form 10-K for the year ended December 31, 2017, which is filed with the Securities and Exchange Commission (the "SEC") and available at the SEC's Internet site (http://www.sec.gov). The information set forth herein speaks only as of the date hereof, and we disclaim any intention or obligation to update any forward looking statements as a result of developments occurring after the date of this communication.

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